



UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re : Chapter 11
DELPHI CORPORATION, et al., :
Debtors : Case No. 05-44481 (RDD)
: (Jointly Administered)

RESPONSE TO DEBTORS' THIRD OMNIBUS CLAIMS OBJECTION

Name of Claimant: William Kerscher
Claim Number: 9674
Date Filed: 7-17-2006
Asserted Claim Amount: \$15,463

BACKGROUND

Delphi Corporation has maintained a 401(k) type of retirement savings program, known as the Delphi Savings-Stock Purchase Program (SSPP). One of the asset classes supported within the program is a fund consisting of Delphi common stock. The price of the Delphi common stock fluctuates with the actual, or perceived state of the business. Delphi, over the years, filed several documents with the Securities and Exchange Commission reflecting the state of the business, many of which have proven to be false. Prior to the bankruptcy filing, Delphi advised its employees that purchases of the common stock fund were no longer allowed, but that sales of the fund were acceptable. Delphi eventually liquidated the fund, after the stock had collapsed, and returned the remaining proceeds to the retirement fund holders, near the time of the bankruptcy.

REASONS WHY THIS CLAIM SHOULD NOT BE DISALLOWED

As an employee of Delphi, the claimant began accumulating shares of Delphi stock, along with other employees, during the summer of 1999, with a position of 19.536 shares at a price of \$91.43 on 8/31/1999. Claimant continued to accumulate shares as follows: 36.943 shares as of 11/30/99, 128.496 shares as of 12/31/00, 187.615 shares as of 12/31/01, 206.203 shares as of 12/31/02, 212.809 shares as of 12/31/03, 218.86 shares as of 12/31/04, and 220.75 shares as of 9/30/05. During this time the share price fluctuated, but during the latter period, prior to the bankruptcy filing, the price dropped

precipitously. Eventually, this fund was closed by Delphi and these shares were liquidated, at a substantial loss, for a total amount of \$808.62, which was then delivered to claimant's retirement account. During this same period, Delphi filed false statements with the Securities and Exchange Commission which caused claimant to value the shares at higher than market, consistent with Delphi's false written filings, and continue to hold the shares. Had Delphi acknowledged the conditions which led to the bankruptcy, claimant would have sold the shares, avoiding this loss. Hence the asserted claim.

The details of all of this information is readily available as part of the Delphi Savings Stock Purchase Program, but claimant would be happy to forward copies of any records if necessary. If claimant may be of any further assistance, please use the contact information listed below.

Dated: November 10, 2006

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